



KENAI PENINSULA BOROUGH

Coastal Management Program

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**JOHN J. WILLIAMS
BOROUGH MAYOR**

April 16, 2007

Mr. Jeff High, Natural Resource Specialist
Alaska Department of Natural Resources
Division of Oil and Gas
550 West 7th Avenue, Suite 800
Anchorage, Alaska 99501

Subject: Marathon GO Pad Compressor Installation Project LO/CI 07-05

Dear Mr. High:

Kenai Peninsula Borough (KPB) Coastal District staff reviewed the above referenced project for consistency with KPB Coastal Management Program enforceable policies. This project seeks a consistency determination for construction of a natural gas processing facility in the Ninilchik area.

Project Description and Scope

Marathon Oil Company (Marathon) proposes to install and operate a natural gas-fired reciprocating compressor adjacent to and in support of existing production facilities operating on the GO Pad within the Ninilchik Unit. The compressor will be housed in an engineered building (approximately 50' X 15') designed for safety, environmental protection, and noise suppression. The building will contain the natural gas engine driver, reciprocating compressor, inlet separator, scrubbers, and auxiliary mechanical, electrical, instrumentation and control systems. The compressor will run as either a single-stage or two-stage machine, capable of suction pressures between approximately 100 and 650 PSIG. Automated isolation valves and fuel gas conditioning equipment will be located in a separate Valve Building (approximately 18' X 18'). The compressor will discharge processed natural gas into the existing Kenai Kachemak Pipeline (KKPL) via the existing subsurface lateral pipeline. Piping and electrical interconnections between existing production facilities and the valve building/compressor package will be via an overhead pipe rack.

Expansion of the current GO Pad is proposed for this project to allow for safe separation distance protocols and to facilitate continued development drilling activities on the existing pad. Marathon has approval to lease one (1) acre of land from the Kenai Peninsula Borough to allow for expansion of the pad for the installation and operation of the compressor, valve building, and overhead pipeway.

The pad expansion is anticipated to commence in May 2007. The compressor module and valve building will be fabricated and brought to the location for installation during August and the construction/fabrication process is expected to be complete during November, with start-up that same month. Full operational status is expected by December 15, 2007.

Finding


The work plan as proposed by Marathon is *consistent* with KPBCZM enforceable policies.

Advisory

Due to the instability of Cook Inlet bluff areas due to erosion the applicant should take care to remove as little vegetation on the bluff side of the project as possible.

Thank you for the opportunity to comment.

Sincerely,



Gary Williams
Coastal District Coordinator